



0000055859

ORIGINAL

901 NORTH STUART STREET
ARLINGTON VA 22203-1837BY
RECEIVED

June 20, 2003

2003 JUN 23 P 12:02

REPLY TO
ATTENTION OFRegulatory Law Office
U 4078ARIZONA CORPORATION COMMISSION
DOCUMENT CONTROL

Subject: In The Matter Of Qwest Communications International Inc.'s, Qwest Services Corporation's, And Qwest Corporation's Notice Of Sale, Request For Waiver, or Application For Approval Of Sale Of The Arizona Operations Of Dex, Inc.
Arizona Corporation Commission, Docket No. ~~99-00512-02-0666~~

Arizona Corporation Commission
Docket Control
Attn: Ms. Viki Lasher
1200 West Washington Street
Phoenix, Arizona 85007

Arizona Corporation Commission

DOCKETED

JUN 23 2003

Dear Ms. Lasher:

DOCKETED BY

CM

Enclosed for filing with the Arizona Corporation Commission are the original and thirteen copies of the Brief of the Department of Defense And All Other Federal Executive Agencies in the subject proceeding.

Copies of this Brief have been sent in accordance with the attached Certificate of Service. Inquiries concerning this matter may be directed to the undersigned at (703) 696-1644.

Sincerely,

Peter Q. Nyce Jr.
General Attorney
Regulatory Law Office

Enclosure



BEFORE THE ARIZONA CORPORATION COMMISSION

MARC SPITZER
Chairman
JAMES M. IRVIN
Commissioner
WILLIAM A. MUNDELL
Commissioner
JEFF HATCH-MILLER
Commissioner
MIKE GLEASON
Commissioner

IN THE MATTER OF QWEST COMMUNICATIONS
INTERNATIONAL, INC'S, QWEST SERVICES
CORPORATION'S, AND QWEST CORPORATION'S
NOTICE OF SALE, REQUEST FOR WAIVER, OR
APPLICATION FOR APPROVAL OF THE SALE OF
THE ARIZONA OPERATIONS OF QWEST DEX, INC.

Docket No. T-01051B-02-0666

BRIEF
of
THE UNITED STATES DEPARTMENT OF DEFENSE
and
ALL OTHER FEDERAL EXECUTIVE AGENCIES

ROBERT N. KITTEL
Chief

Regulatory Law Office
Office of The Judge Advocate General
U.S. Army Litigation Center
901 N. Stuart Street, Suite 700
Arlington, Virginia 22203-1837

by

PETER Q. NYCE, JR.
General Attorney

June 20, 2003

Table of Contents

	<u>Page No.</u>
I. INTRODUCTION.....	1
II. ARIZONA CONSUMERS SHOULD BE THE PRIMARY BENEFICIARIES OF QWEST'S SALE OF DEX.....	3
A. Since all directory publishing activities were designated to help support local telecommunications services, benefits for ratepayers should reflect the full price of Dex.....	3
B. The Staff concurs that local ratepayers have a continuing claim on the value of Qwest's directory publishing operations.....	6
III. THE SETTLEMENT PROPOSED BY QWEST AND STAFF IS NOT IN THE PUBLIC INTEREST.....	8
IV. CONCLUSION.....	14

BEFORE THE ARIZONA CORPORATION COMMISSION

MARC SPITZER
Chairman
JAMES M. IRVIN
Commissioner
WILLIAM A. MUNDELL
Commissioner
JEFF HATCH-MILLER
Chairman
MIKE GLEASON
Commissioner

IN THE MATTER OF QWEST COMMUNICATIONS
INTERNATIONAL, INC.'S, QWEST SERVICES
CORPORATION'S, AND QWEST CORPORATION'S
NOTICE OF SALE, REQUEST FOR WAIVER, OR
APPLICATION FOR APPROVAL OF THE SALE OF
THE ARIZONA OPERATIONS OF QWEST DEX, INC.

Docket No. T-01051B-02-0666

**BRIEF
of
THE UNITED STATES DEPARTMENT OF DEFENSE
and
ALL OTHER FEDERAL EXECUTIVE AGENCIES**

The United States Department of Defense and All Other Federal Executive Agencies ("DOD/FEA") hereby submits this Brief in the above-captioned proceeding.

I. INTRODUCTION

DOD/FEA acquires large quantities of telecommunications services from Qwest Corporation ("Qwest") in Arizona. Indeed, with 60,000 civilian and military employees, DOD/FEA is probably the largest user of telecommunications services in the state. DOD/FEA will be affected substantially by the sale of Qwest Dex, Inc. ("Dex") by Qwest's parent company, Qwest Communications International, Inc. ("QCI").

Because of its interests as a consumer of telecommunications services in Arizona, DOD/FEA participated in this case to address issues concerning the appropriate distribution of benefits from the sale of Dex. On March 4, 2003, DOD/FEA submitted Rebuttal Testimony of its expert witness, Richard B. Lee ("Lee Rebuttal").¹ On May 9, 2003, DOD/FEA submitted Rejoinder Testimony of Richard B. Lee ("Lee Rejoinder").² On June 11, 2003, DOD/FEA submitted Mr. Lee's Response to Questions in Commissioner Mundell's May 23, 2003, Letter ("Lee Response"). The DOD/FEA testimony and the attachments thereto were admitted into the record at the evidentiary hearing on May 16, 2003.³

DOD/FEA recommends that the Commission approve the sale of DEX under certain conditions. However, DOD/FEA opposes the Settlement Agreement proposed on April 18, 2003, by the Arizona Corporation Commission Staff ("Staff") and Qwest Corporation ("Qwest")⁴ because it does not provide adequate compensation to local ratepayers for the sale. DOD/FEA urges the Commission to reject this Settlement Agreement, and instead adopt the recommendations concerning the distribution of benefits from the sale described by Mr. Lee.

¹ The "public" version of the Lee Rebuttal was subsequently marked as Exhibit DOD-1, and the "confidential" attachment was marked as DOD-2.

² The "public" version of the Lee Rejoinder was subsequently marked as Exhibit DOD-3, and the "confidential" attachment was marked as DOD-4.

³ Tr. Vol. I, at 55.

⁴ Joint Notice of Filing Settlement Agreement and Motion for Procedural Order, April 18, 2003, filing Stipulation dated April 10, 2003..

II. ARIZONA CONSUMERS SHOULD BE THE PRIMARY BENEFICIARIES OF QWEST'S SALE OF DEX.

- A. Since all directory publishing activities were designated to help support local telecommunications services, benefits for ratepayers should reflect the full price for Dex.**

In his Rebuttal Testimony, DOD/FEA witness Lee urged the Commission to approve the sale of Dex subject to conditions ensuring that full benefits from the sale will accrue to local ratepayers.⁵ In his testimony, witness Lee explained that with divestiture in 1984, AT&T's directory publishing business was assigned to Qwest's predecessor U S West (and other Bell operating companies) in order to generate "a substantial subsidy for local telephone rates."⁶ In Arizona, this subsidy has been effected by imputation of directory revenues in Qwest rate cases.⁷

DOD/FEA witness Lee explained that ratepayers are entitled to a benefit equal to the full price for the sale, less any contributed assets that pass out of the company, and less costs incurred in the transaction.⁸ Moreover, the benefits for ratepayers should reflect the pre-tax gain associated with the sale.⁹ QCI's financial difficulties have not been the result of Qwest's regulated operations, but a consequence of its non-regulated activities. The net operating losses attributable to QCI's non-regulated

⁵ Lee Rebuttal, at 4.

⁶ *Id.*, at 5, *citing* United States v. American Tel. and Tel. Co. *et al.*, 552 F Supp. 131 at 224 (1982).

⁷ Testimony of Maureen Arnold, January 28, 2003 ("Arnold Testimony"), at 7-10.

⁸ Lee Rebuttal, at 5.

⁹ *Id.*, at 10.

operations will exceed the one-time gain from the sale of DEX. Therefore, QCI will not pay taxes on this gain, and any allowance for "taxes" would amount to a subsidy of QCI's unregulated operations by local ratepayers.¹⁰

Witness Lee explained that ratepayers, rather than shareholders, should receive the benefits from the sale of Dex.¹¹ The only reason that QCI has DEX to sell is that the operation was assigned to U S West to provide support for local telephone rates. If any portion of the gain from the sale were flowed to shareholders, it would reward them for allowing QCI management to drive the company into a near bankruptcy condition.¹² Moreover, any portion of the gain from the sale of Dex that does not benefit local ratepayers will represent a subsidy of QCI's non-regulated operations by its regulated activities. Indeed, shareholders are receiving valuable compensation for the sale because the immediate cash flow will aid QCI in meeting its cash requirements resulting from losses in the non-regulated arena.

Qwest witness Ann Koehler-Christensen contends that the terms of the 1988 Settlement Agreement between Mountain Bell and the Commission should determine the calculation of benefits in the current proceeding.¹³ However, DOD/FEA urges the Commission to reject this claim. Witness Lee explained that the 1988 Settlement Agreement only resolved "issues related to the transfer of Yellow Pages assets from Mountain Bell to USWD."¹⁴ The transfer simply involved an organizational change

¹⁰ Id.

¹¹ Id., pp. 4-4.

¹² Id.

¹³ Surrebuttal Testimony of Ann Koehler-Christenson, April 18, 2003, at 4.

¹⁴ 1988 Settlement Agreement, provided as Appendix C to Qwest Notice of Sale, Request for Waiver or Application for Approval Pursuant to R14-2-803, at 1.

within U S West, QCI's predecessor as the parent company of Qwest. The current proceeding addresses the proposed sale of Dex to an unrelated third party, which is a new and different situation.¹⁵

First, as witness Lee explained, the 1988 Settlement Agreement was based on an analysis of affiliate transactions related to directory operations.¹⁶ Affiliate transaction rules will not apply after the sale is consummated because Dex will not longer be an affiliate.¹⁷ Second, there will be a specific value attributable to the directory enterprise because of its sale.¹⁸ The focus of the current proceeding should be on the best procedure for ensuring that the gain from the sale benefits local service ratepayers. This gain has been estimated by Qwest, and an analysis of past or future affiliate transactions is not relevant to the appropriate distribution of this gain to ratepayers and stockholders.

DOD/FEA witness Lee described a plan that provides QCI an immediate cash infusion, but also provides that the Arizona share of the pre-tax gain can accrue entirely to the benefit of local telephone ratepayers in this state.¹⁹ Specifically, he recommended that 10 percent of the benefit be in the form of an immediate bill credit, and that the remainder of the benefit be established as a regulatory liability to be amortized over 15 years.

¹⁵ Lee Rejoinder, at 9.

¹⁶ Id.

¹⁷ Id.

¹⁸ Id.

¹⁹ Lee Rebuttal, at 7-10.

In any rate case during the 15 years, the annual amortization amount would serve as a revenue imputation, and the unamortized regulatory liability would serve as a rate base offset. As witness Lee explained, the rate base offset would come into play in the any rate case during the amortization period.²⁰ Moreover, even if it were not used directly in a rate case, the offset could substantially benefit local ratepayers by forestalling a rate case.²¹ The revenue imputation and rate base offset would support local telecom rates, exactly as intended by the court overseeing AT&T's divestiture in 1984. At the conclusion of the amortization period, the full benefit of the Dex sale will have been (theoretically) provided to local ratepayers, and the subsidy would end.

B. The Staff concurs that local ratepayers have a continuing claim on the value of Qwest's directory publishing operations.

The Staff and DOD/FEA have different positions on the proposed Stipulation concerning the distribution of benefits from the sale of Dex. However, the Staff concurs with DOD/FEA that Arizona ratepayers are entitled to substantial benefits from the sale of Dex.

Staff witness Brosch explains that Qwest customers "have a continuing claim upon the value of Qwest's regulated directory publishing operation, even though a formal accounting for this claim has not been required."²² Moreover, witness Brosch explains that the directory publishing business of the incumbent local exchange carrier

²⁰ Tr. Vol. I, at 54.

²¹ Id.

²² Direct Testimony of Michael Brosch, March 28, 2003, at 10-11.

("ILEC") has always been under common ownership and control of the ILEC in the Arizona Qwest territory.²³ Designated to keep local telephone rates at levels that would help maintain affordable local rates, the directory publishing segment has historically been treated as a regulatory asset.²⁴ Now that the directory function is being sold to an unaffiliated enterprise, local ratepayers are entitled to compensation for the divested asset. The sale price of Dex provides a quantification of that value.

Moreover, Staff witness Brosch emphasizes that directory publishing activities produce a consistently strong and growing stream of income. This cash flow that will be available to the buyers of Dex, but no longer available directly to QCI or indirectly to local ratepayers.²⁵ Witness Brosch notes, "[t]he financial difficulties and liquidity concerns explained by [Qwest witness Peter C.] Cummings and [Residential Utility Consumer Office witness Ben] Johnson came in with the Qwest acquisition and have not been shown to be related to the financial performance of the traditional 'U S West' business."²⁶ Since local telephone services ratepayers are not responsible for QCI's financial condition, ratepayers should not be disadvantaged by the terms of sale. Quite the contrary, ratepayers should be guaranteed compensation for giving up this valuable asset in order to rescue their telephone utility's parent company from its financial difficulties, as witness Lee explained.²⁷

²³ Id., at 11.

²⁴ Id., at 10.

²⁵ Id., at 16.

²⁶ Id., at 14.

²⁷ Lee Rebuttal, at 4.

III. THE SETTLEMENT AGREEMENT PROPOSED BY QWEST AND STAFF IS NOT IN THE PUBLIC INTEREST.

Settlements can be in the public interest when they represent an appropriate balancing of benefits and risks for both the company and its ratepayers. Such agreements generally represent a compromise by each of the parties involved. Each party balances the benefits it receives from the settlement against the risk that these benefits will be less if a settlement is not reached and litigation is pursued. Unfortunately, the Settlement Agreement advanced by Qwest and the Staff does not provide a such an equitable balance of these interests.

In his Rejoinder Testimony, DOD/FEA witness Lee urged the Commission to reject the Settlement Agreement because it is not in the public interest.²⁸ Witness Lee's conclusions were based on his analysis of the various proposals of the parties and the calculation of their respective benefits to ratepayers. Subsequently, witness Lee updated his analysis to include the ratepayer benefits associated with the multi-party settlement agreement related to the sale of Dex in the state of Washington. This settlement agreement was entered into by Qwest, DOD/FEA, the Public Counsel Section of the Attorney General of Washington, WeBTEC and AARP on May 8, 2003.²⁹ The agreement provides for an immediate bill credit of \$67 million, and an annual revenue credit for rate case and reporting purposes for 15 years. This revenue credit is

²⁸ Lee Rejoinder, at 2-6.

²⁹ See, RUCO Exhibit No. 3. The Washington Commission Staff did not enter to this agreement because it did not find the benefits to ratepayers to be sufficient. Washington Docket No. UT-021120, Supplemental Testimony of Glenn Blackmon, Ph.D., May 21, 2003.

to be \$110 million for four years and then \$103.4 million for the following 11 years, after which the credit will end.

Witness Lee summarized his analysis in Attachment RBL 1 (Revised) to his Response to questions raised by Commission Mundell. The following is a description of each line item on Attachment RBL 1 (Revised), which is attached to this Brief:

Line 1: The present value of Mr. Lee's proposals on behalf of DOD/FEA, reflecting a regulatory liability on a pre-tax basis (\$1,217 million).

Line 2: The present value of the proposal of the Residential Utility Consumer Office ("RUCO") as quantified by Qwest (\$1,206 million).

Line 3: Staff's original proposal (\$1,040 million).

Line 4: The present value of Mr. Lee's proposal on behalf of DOD/FEA, reflecting a regulatory liability on a post-tax basis (\$934 million).

Line 5: The ratepayer benefit of the Washington settlement agreement (\$886 million).

Line 6: Mr. Lee's calculation of the benefit Arizona ratepayers would receive from the settlement reached in Utah were it to be increased in proportion to the greater booked Dex revenues in Arizona (\$764 million).

Line 7: The gain from the portion of Dex's business related to Qwest's telephone service according to Qwest witness Grate's statement that the present value of the Stipulation is 92 percent of this amount (\$685 million).

Line 8: The ratepayer benefit pursuant to the proposed Settlement Agreement (\$556 million).

Line 9: The present value of the current \$43 million imputation as calculated by Staff (\$369 million).

Based on these data, witness Lee concluded in his Rejoinder Testimony that the proposed Settlement Agreement does not represent a reasonable compromise between the interests of the parties to this proceeding.³⁰ Qwest's calculation of the total Arizona gain from the sale of Dex (Line 7) is much less than that of the other parties (Lines 1, 2 and 3), largely because Qwest contends that the gain associated with Secondary Directories and non-Qwest listings should be "carved out" of the ratepayer benefit calculation. This is a highly controversial contention, as witness Lee explained.³¹ At any rate, the proposed Settlement Agreement benefit (Line 8) does not represent a compromise on this issue — the proposed Settlement Agreement benefit is even less than Qwest's calculation of gain. Witness Lee could not recommend that DOD/FEA support a settlement that represents a *capitulation* instead of a *compromise*.

Witness Lee stated, however, that he would have seriously considered supporting an agreement that split the difference between the positions of Staff and Qwest.³² Indeed, he calculated the ratepayer benefit of such an agreement as \$862 million. Attachment RBL 2 (Revised) to the Lee Response, which is also attached to this Brief, demonstrates that such an agreement would have resulted in a fair balancing of interests.

³⁰ Lee Rejoinder, at 4–5.

³¹ *Id.*, at 7–8.

³² *Id.*, at 5–6.

In his Response, witness Lee noted that the mid-point between Staff's original proposal and his estimate of Qwest's calculation of the gain is slightly below the Washington settlement value.³³ This fact serves to reinforce witness Lee's belief that the \$862 million value determined by splitting the difference between the positions of Staff and Qwest would be a reasonable compromise between the interests of Arizona ratepayers and Qwest stockholders.

During the hearing, Qwest witness Philip E. Grate attempted to justify the significant difference between the Washington settlement (\$886 million) and the proposed Arizona settlement (\$556 million).³⁴ The four points he raises fail to support his claim that the proposed Arizona settlement is fair to ratepayers.

First, witness Grate attempts to divert attention from the absolute benefit to ratepayers to the change in ratepayer benefits as a result of the Dex sale.³⁵ He contends that the increase in benefits in Arizona is greater than the increase in Washington. This is hardly a surprise, of course, since the annual subsidy currently being provided Arizona ratepayers (\$43 million) is totally inadequate.³⁶ As Staff witness Brosch stated, the 1988 Settlement Agreement has been a "persistently bad deal for ratepayers."³⁷ In 1993, Staff supported an increase to \$60 million,³⁸ and in 1999, Staff

³³ Lee Response, at 1.

³⁴ TR. Vol III, at 387-399.

³⁵ Id., 388-393 and 397-399.

³⁶ Lee Rejoinder, at 10.

³⁷ Brosch Direct, at 25.

³⁸ Id.

witness Brosch explained that a more equitable imputation for ratepayers would be no less than \$93.1 million.³⁹ To accept witness Grate's argument would be to reason that because Arizona ratepayers have been treated badly in the past, they should be treated badly now. DOD/FEA rejects this argument out of hand.

Witness Grate's second point is that the settlement agreement is worse for Arizona ratepayers because the "litigation risk" to ratepayers is greater in Arizona.⁴⁰ DOD/FEA was not given the opportunity to join in settlement discussions in Arizona until after Qwest reached an agreement with Staff, so it has no knowledge as to what transpired in those negotiations. DOD/FEA surmises, however, that Qwest refused to offer a fair settlement in Arizona because it believes it has a better legal case in Arizona. Assumedly, Qwest management decided to offer Arizona ratepayers "half-a-loaf" because it could thereby reserve more of the proceeds from the Dex sale for stockholders. DOD/FEA believes such reasoning is short-sighted. Qwest should have offered a fair settlement in Arizona, as it did in Washington. Arizona's ratepayers should not be treated as "second-class" citizens by Qwest. If Qwest fails to voluntarily improve the Arizona settlement agreement, the Commission should reject it and determine an appropriate level of ratepayer benefits itself.⁴¹ Qwest can then test its

³⁹ *Id.*, at 26.

⁴⁰ TR. Vol. III, at 391-392.

⁴¹ It is interesting to note that Qwest voluntarily increased its proposal in Washington in May based on the settlement activities in Utah and Arizona. Qwest witness Mark S. Reynolds stated that its willingness to revise its proposal "reflects Qwest's good faith effort to reduce the difference between the proposals currently before the Commission, and to be consistent with Qwest's position in other states where agreement has been reached." Washington Docket No, UT-021120, Rebuttal Testimony of Mark S. Reynolds, Revised May 7, 2003, Exhibit MSR-1RT, at 18 (emphasis added).

legal arguments in court, if it so chooses.

Witness Grate's third point is simply that Washington produces more of Dex's revenues than Arizona.⁴² DOD/FEA believes an adjustment to reflect this would not be inappropriate once the principle is accepted that Arizona ratepayers should be treated in a manner similar to Washington ratepayers.

Finally, witness Grate suggests that the immediacy of the benefit to ratepayers should be considered.⁴³ In Washington, Qwest has committed to providing bill credits in 45 days from the close of the Dex sale. It is likely, therefore, that Washington ratepayers will see their benefits begin by the end of this year. As witness Grate concedes, under the proposed settlement, Arizona ratepayers would not see a benefit until April of 2004 at the earliest.⁴⁴ So if the immediacy of benefit is considered, the Arizona settlement should be greater, not less, than the Washington settlement.

In summary, the Settlement Agreement proposed by Qwest and Staff is not in the public interest and should be rejected by the Commission. The Washington agreement demonstrates that an equitable resolution of this matter is possible in a manner which balances the interest of Qwest and ratepayers. If Qwest is not willing to enter such a resolution voluntarily, the Commission has a duty to require that an appropriate share of the proceeds from the Dex sale be allocated to Arizona ratepayers.

⁴² TR. Vol. III, at 392-393.

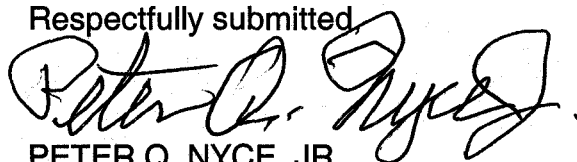
⁴³ Id., at 393.

⁴⁴ Id.

IV. CONCLUSION

WHEREFORE, the premises considered, the U.S. Department of Defense and All Other Federal Executive Agencies urge the Commission to reject the proposed Settlement Agreement between Staff and Qwest filed April 18, 2003, and adopt DOD/FEA's recommendations as described herein.

Respectfully submitted

A handwritten signature in black ink, appearing to read "Peter Q. Nyce, Jr.", written over the typed name.

PETER Q. NYCE, JR.
General Attorney

Regulatory Law Office

Office of The Judge Advocate General
U.S. Army Litigation Center
901 North Stuart Street, Suite 700
Arlington, VA 22203-1837

for

The United States Department Of Defense

and

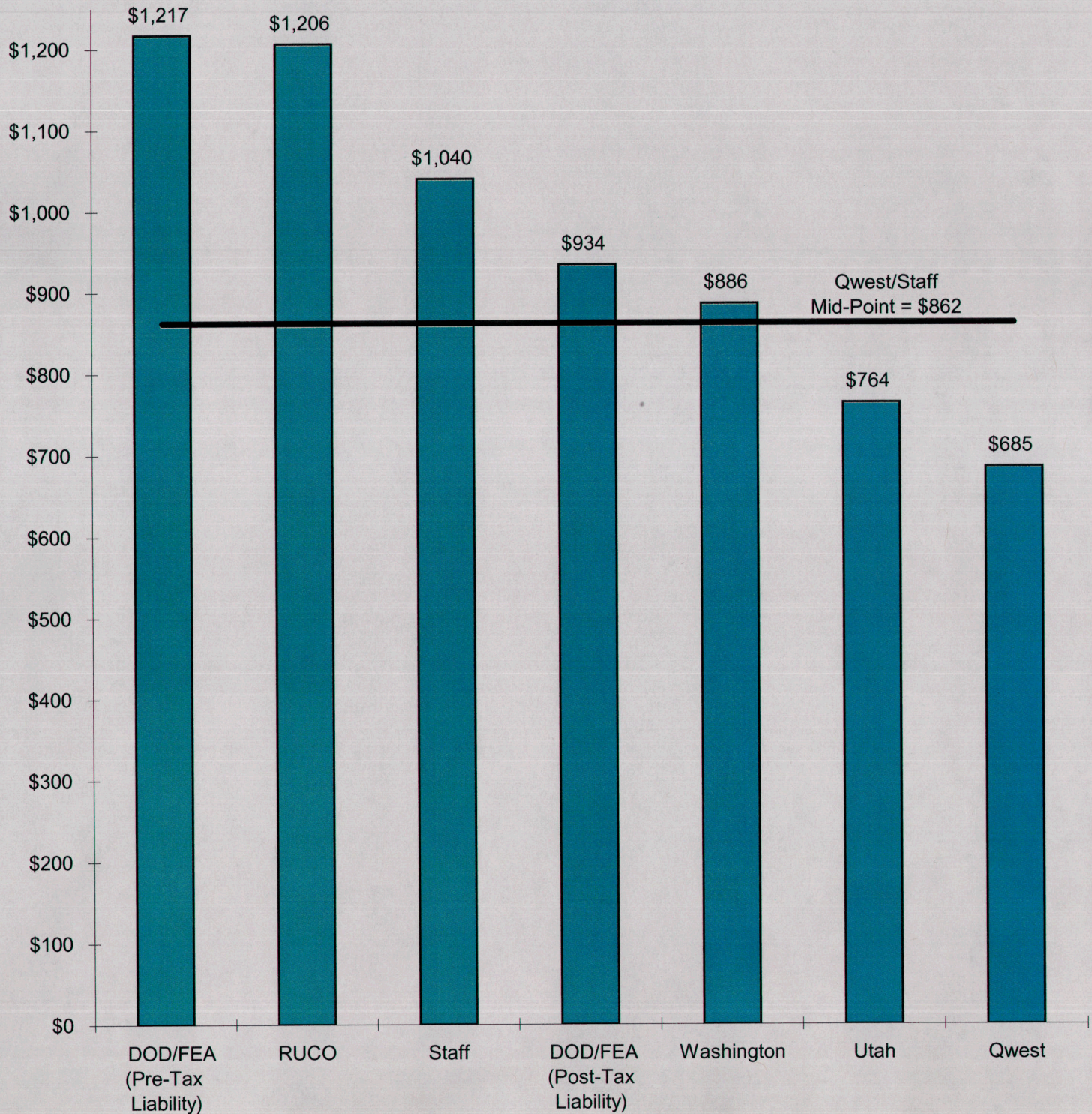
All Other Federal Executive Agencies

Dated this 20th day of June 2003.

Comparison of Benefits To Arizona Ratepayers
(Dollars in Millions)

1.	DOD/FEA Proposal (Pre-Tax Liability) (Attachment RBL 5)	\$ 1,217
2.	RUCO Proposal (Grate Surrebuttal, PEG-S4, Page 3)	1,206
3.	Staff Proposal (Brosch Direct, MLB-1, Page 1)	1,040
4.	DOD/FEA Proposal (Post-Tax Liability) (Attachment RBL 6)	934
5.	Washington (Mundell 5/23/03 Letter)	886
6.	Utah Equivalent (\$22 plus present value of \$30.1 for 20 years, 9.61 discount factor, half year used, adjusted for Arizona Dex revenues.)	764
7.	Qwest Calculation of Gain Related to Arizona Regulated Telephone Service (\$630 Stipulation / 92 percent)	685
8.	Stipulation (Mundell 5/23/03 Letter)	556
9.	Current Imputation (Brosch Direct, MLB-1, Page 1)	369


Comparison of Benefits To Arizona Ratepayers (Dollars in Millions)



CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing Brief of the United States Department of Defense and All Other Federal Executive Agencies was sent to the parties on the attached service list either by United Parcel Service - Next Day Air, or by first class mail, postage prepaid on June 20, 2003.

Dated at Arlington County, Virginia, on this 20th Day of June 2003.


PETER Q. NYCE, JR.

DOCKET CONTROL
ARIZONA CORPORATION COMMISSION
1200 WEST WASHINGTON
PHOENIX AZ 85007

ERNEST G JOHNSON ESQ
DIRECTOR UTILITIES DIVISION
ARIZONA CORPORATION COMMISSION
1200 WEST WASHINGTON
PHOENIX AZ 85007

SCOTT S WAKEFIELD ESQ
RESIDENTIAL UTILITY CONSUMER OFC
1110 WEST WASHINGTON ST SUITE 220
PHOENIX AZ 85007

RUSSELL P ROWE ESQ
WILLIAM C BRITTAN ESQ
CAMPBELL BOHN KILLIN BRITTAN
& RAY LLC
270 ST PAUL STREET SUITE 200
DENVER CO 80206

RICHARD R CAMERON
LATHAM & WATKINS
555 ELEVENTH STREET N W SUITE 1000
WASHINGTON DC 20004

DANIEL POZEFSKY
RESIDENTIAL UTILITY CONSUMER OFC
1110 WEST WASHINGTON ST SUITE 220
PHOENIX AZ 85007

LYN FARMER ESQ
CHIEF ALJ HEARING DIVISION
ARIZONA CORPORATION COMMISSION
1200 WEST WASHINGTON
PHOENIX AZ 85007

PHILIP J ROSELLI
WENDY MOSER
SHARON BERRY
QWEST SERVICES CORPORATION
1801 CALIFORNIA STREET, SUITE 5200
DENVER CO 80202

THOMAS H CAMPBELL ESQ
MICHAEL T HALLAM ESQ
LEWIS AND ROCA
40 NORTH CENTRAL AVENUE
PHOENIX AZ 85004

RICHARD LEE ESQ
SNAVELY KING MAJOROS O'CONNOR
& LEE, INC
1220 L STREET N W SUITE 410
WASHINGTON DC 20005

MARK BROWN
3033 N 3RD STREET
PHOENIX AZ 85012

CHRISTOPHER C KEMPLEY ESQ
MAUREEN A SCOTT ESQ
LEGAL DIVISION
ARIZONA CORPORATION COMMISSION
1200 WEST WASHINGTON
PHOENIX AZ 85007

TIMOTHY BERG ESQ
THERESA DWYER ESQ
FENNEMORE CRAIG PC
3003 NORTH CENTRAL AV SUITE 2600
PHOENIX AZ 85012

THOMAS F DIXON ESQ
WOLDCOM INC
707 17TH STREET 39TH FL
DENVER COLORADO 80202

MICHAEL W PATTEN
LAURA E SCHOELER
ROSHKA HEYMAN & DEWAULF PLC
ONE ARIZONA CENTER
400 EAST VAN BUREN STREET SUITE 800
PHOENIX AZ 85004

ALJ JANE RODDA
400 WEST CONGRESS
TUCSON AZ 85701-1347